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# **Tobin & Co.**

Empire Township

Leelanau County, Michigan

Audit Report

For the Year Ended March 31, 2007

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name <b>Empire Township</b>	County <b>Leelanau</b>
Fiscal Year End <b>3/31/07</b>	Opinion Date <b>12/10/07</b>	Date Audit Report Submitted to State <b>1/07/08</b>	

We affirm that:

We are certified public accountants licensed to practice in Michigan.


We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

**2** ☒ **Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe) <b>TOBIN &amp; CO., P.C.</b>	<input type="checkbox"/>			
Certified Public Accountant Firm Name <b>400 E. EIGHTH ST.</b>		Telephone Number		
<b>TRAVERSE CITY, MI 49686-2668</b>				
Street Address <b>231-947-0151</b>		City	State	Zip
Authorizing CPA Signature 		Printed Name <b>DAVID L. BASLER</b>		License Number <b>1101013418</b>

# Tobin & Co.

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# **Tobin & Co.**

## INTRODUCTORY SECTION

# **Tobin & Co.**

## Comments and Recommendations

We have audited the basic financial statements of Empire Township, Leelanau County, for the year ended March 31, 2007 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Empire Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

### General

The accounting records were maintained in very good condition by your Clerk and Treasurer. Recorded revenues were deposited timely and intact, journals and ledgers were properly posted, Board minutes were maintained in proper order, and supporting documents and follow-up procedures appeared to be in very good order.

We did note some minor shortcomings in the maintenance of these records and the internal control procedures of the Township and, in a separate management letter, we have detailed these shortcomings and suggested measures which, if adopted, will improve the accounting records and internal controls.

### Budgets and Procedures

The Township prepared and formally adopted budgets for its General and Special Revenue Funds.

#### General Fund

The General Fund is presented on Schedule 1.

#### Fire Fund

This fund, presented on Schedule 2, is used to account for the special voted tax for fire protection and charges for ambulance services. The fund balance at March 31, 2007 was \$560,973.

#### Campground Fund

This fund, presented on Schedule 3, is used to account for revenues generated through the use of the Township campground. Such revenues are used to operate and maintain the campground. The fund balance at March 31, 2007 was \$52,650.

#### Airport Authority Fund

This fund, presented on Schedule 4, is used to account for revenues generated through hanger rentals and tie down fees and contributions from other entities and other funds. This fund is a separate component unit blended with the special revenue funds of the Township and had a fund balance of \$42,684 at March 31, 2007.

#### Property Tax Administration Fees

A 1% property tax administration fee is authorized by statute to offset such property tax administration costs as assessing, collecting, and the review and appeal process. Fee collections may be used for no other purpose. We note that Empire Township's collection of this tax plus the summer tax collection fee exceeded its administrative expenses by \$6,035. This is offset by accumulated excess expenditures.

#### Payroll Procedures

The Clerk maintains excellent payroll records. Payroll withholdings were promptly remitted to various agencies and required reports were properly prepared. The Clerk's efforts are commendable.

# **Tobin & Co.**

## Comments and Recommendations

### Ambulance Revenues

The Township contracts with Glen Arbor Township for ambulance services. The contract requires payment of a portion of the ambulance service expenditures by the Township while fees collected for service in the Township are received from Glen Arbor Township and recorded as revenues in the Fire Fund.

### Insurance and Surety Bond Coverage

Records reflect that the Township is insured through Municipal Underwriters of Michigan and has such coverage as fire and extended coverage, general liability, equipment, errors and omissions, crime and workmen's compensation. Board minutes indicate coverage was reviewed during the audit year. We understand the Supervisor, Clerk, Treasurer, Deputy Clerk, and Deputy Treasurer have specific surety bond coverage. Other employees are covered by a blanket surety bond.

### Other Data

We are pleased to note the use of interest bearing depository accounts. The purchase of certificates of deposit and other deposit practices resulted in earned interest of \$24,399 during the audit year. This is commendable on the part of the Treasurer and other Board members.

After completion of our audit, we will submit the necessary copies of our report to the State Department of Treasury.

We appreciate the courtesy extended our field auditor in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

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# **Tobin & Co.**

## FINANCIAL SECTION

# Tobin & Co.

## REPORT OF INDEPENDENT AUDITOR

To the Township Board  
Empire Township  
Leelanau County  
Empire, Michigan 49630

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Empire Township as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Empire Township at March 31, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Empire Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



TOBIN & CO., P.C.  
Certified Public Accountants  
December 10, 2007



# Tobin & Co.

## EMPIRE TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

As the Township Board of the Empire Township, Leelanau County, we offer readers of the township's financial statements this narrative overview and analysis of the financial activities of Empire Township for the fiscal year ended March 31, 2007.

### Financial Highlights

The assets of Empire Township exceeded its liabilities at the close of the most recent fiscal year by \$1,541,975. Of this amount, \$382,074 may be used to meet the Township's ongoing General Fund obligations to citizens and creditors.

As of the close of the current fiscal year, Township's governmental funds reported combined ending fund balances of \$1,047,106, an increase of \$138,591 in comparison with the prior year. Of the total amount, \$995,193 is available for spending at the Township's discretion.

At the end of the current fiscal year, unreserved fund balance for the general fund was \$390,799, or 266% of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Empire Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

#### 1. Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The **statement of net assets** presents information on all of the Township's assets and liabilities, with the difference between the two reported as **net assets**. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The **statement of activities** presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused credits, and used but not paid expenses).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (**business-type activities**). The governmental activities of the Township include: General Government, Public Safety, Recreation and Culture, Road Projects, and Township Improvements. Empire Township does not have any business-type activities.

#### 2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Empire Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Empire Township are categorized as governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

# **Tobin & Co.**

Empire Township maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Fund, and Campground Fund, which are considered to be major funds. All Township government activities are included in these three funds plus the Airport Authority Fund, a blended component unit.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial resources because the resources of those funds are not available to support the Township's own programs.

The basic fiduciary fund financial statements can be found on page 15 of this report.

### **3. Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **General Fund Analysis and Highlights**

There were no significant changes from prior years' General Fund activities. Improvements to the township hall exterior brought it into compliance with Americans With Disabilities Act requirements.

#### **Analysis of Balances and Transactions of the Other Township's Funds.**

The Township purchased a new Fire Department brush truck in 2006.

#### **Condensed Financial Information**

Refer to pages 11 to 14 of the audited financial statement.

#### **Capital Asset and Debt Administration**

##### **Capital Assets**

The Township's investment in capital assets for its governmental activities as of March 31, 2007, amounts to \$451,681. This investment in capital assets includes: several parcels of land, Township Hall and Offices, Campground Facilities, Fire and Rescue Buildings, Fire and Rescue Trucks and Office Equipment and Computers. This is the first year that the total Township's investment in capital assets has been assessed and reported. All of our government funds report capital outlays as expenditures. However, the cost of the assets is allocated over their useful lives.

##### **Cash Assets**

At the end of the current fiscal year, the Township had \$995,413 in cash and other spendable assets. The Township is limited by State law in how it can invest these funds and we have made no changes in our investment strategy in several years.

##### **Long-term Debt**

At the end of the current fiscal year, the Township had no bonded or installment debt outstanding.

##### **Pension Plan**

The Township makes contributions equal to approximately 11% of each qualified employee's wage to John Hancock Life Insurance Co. on behalf of each participating employee. This is an expensed item in the budget and totaled \$7,725 for the fiscal year.

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# **Tobin & Co.**

## **Currently Known Facts, Decisions, or Conditions Affecting Future Periods.**

Empire Township is reviewing the possible merger of the Township's Fire Department with the Glen Arbor Township Fire Department.

## **Requests for Information**

This financial report is designed to provide a general overview of Empire Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Christine Neiswonger, Township Clerk, P. O. Box 234, Empire, MI 49630.

# Tobin & Co.

## Empire Township Statement of Net Assets March 31, 2007

		<u>Primary Government Governmental Activities And Total</u>
<u>Assets</u>		
Cash		\$ 995,413
Receivables		112,115
Capital Assets:		
Land	34,000	
Other Capital Assets, Net of Depreciation	<u>417,681</u>	
Total Capital Assets		<u>451,681</u>
Total Assets		<u>1,559,209</u>
<u>Liabilities</u>		
Accounts Payable		<u>17,234</u>
Total Liabilities		<u>17,234</u>
<u>Net Assets</u>		
Invested in Capital Assets		451,681
Restricted for:		
Fire Protection		560,973
Campground		52,650
Airport Authority		42,684
Roads		51,913
Unrestricted		<u>382,074</u>
Total Net Assets		<u>\$ 1,541,975</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Empire Township Statement of Activities March 31, 2007

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities and Total</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Legislative	\$ 5,903	\$ -	\$ -	\$ (5,903)
General Government	122,844	7,060	-	(115,784)
Public Safety	367,994	55,032	-	(312,962)
Public Works	304	-	4,454	4,150
Recreation and Cultural	<u>23,345</u>	<u>34,601</u>	<u>1,500</u>	<u>12,756</u>
Total Governmental Activities	<u>\$ 520,390</u>	<u>\$ 96,693</u>	<u>\$ 5,954</u>	<u>(417,743)</u>
General Revenues:				
Taxes				514,172
State Grants				48,241
Unrestricted Investment Earnings				24,399
Miscellaneous				<u>7,204</u>
Total General Revenues				594,016
Change in Net Assets				176,273
Net Assets – Beginning				<u>1,365,702</u>
Net Assets – Ending				<u>\$ 1,541,975</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Empire Township Balance Sheet Governmental Funds March 31, 2007

	<u>General</u>	<u>Fire</u>	<u>Campground</u>	<u>Non-Major</u>	<u>Total</u>
<u>Assets</u>					
Cash	\$ 348,283	\$ 551,796	\$ 52,650	\$ 42,684	\$ 995,413
Accounts Receivable	4,805	30,000	-	-	34,805
Delinquent Taxes Receivable	4,185	27,459	-	-	31,644
Special Assessments Receivable:					
Delinquent	962	-	-	-	962
Deferred	10,582	-	-	-	10,582
Due from Other Funds	<u>40,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,369</u>
Total Assets	<u>\$ 409,186</u>	<u>\$ 609,255</u>	<u>\$ 52,650</u>	<u>\$ 42,684</u>	<u>\$ 1,113,775</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts Payable	\$ 2,658	\$ 14,576	\$ -	\$ -	\$ 17,234
Due to Other Funds	-	6,247	-	-	6,247
Deferred Revenue	<u>15,729</u>	<u>27,459</u>	<u>-</u>	<u>-</u>	<u>43,188</u>
Total Liabilities	<u>18,387</u>	<u>48,282</u>	<u>-</u>	<u>-</u>	<u>66,669</u>
Fund Balances:					
Unreserved	<u>390,799</u>	<u>560,973</u>	<u>52,650</u>	<u>42,684</u>	<u>1,047,106</u>
Total Fund Balances	<u>390,799</u>	<u>560,973</u>	<u>52,650</u>	<u>42,684</u>	1,047,106
Total Liabilities and Fund Balances	<u>\$ 409,186</u>	<u>\$ 609,255</u>	<u>\$ 52,650</u>	<u>\$ 42,684</u>	
Amounts reported for governmental activities on the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.					451,681
Property taxes and special assessments received after 60 days are recognized as revenues and not deferred for the statement of net assets.					<u>43,188</u>
Net assets of governmental activities.					<u>\$ 1,541,975</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Empire Township Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended March 31, 2007

	<u>General</u>	<u>Fire</u>	<u>Campground</u>	<u>Non-Major</u>	<u>Total</u>
<u>Revenues</u>					
Taxes	\$ 107,445	\$ 406,727	\$ -	\$ -	\$ 514,172
Licenses and Permits	1,060	-	-	-	1,060
State Grants	52,695	-	-	-	52,695
Contributions from Other Units	-	-	-	1,500	1,500
Charges for Services	6,896	51,881	28,501	-	87,278
Interest and Rents	17,015	9,639	-	6,000	32,654
Other	<u>11,248</u>	<u>5,676</u>	<u>-</u>	<u>-</u>	<u>16,924</u>
Total	<u>196,359</u>	<u>473,923</u>	<u>28,501</u>	<u>7,500</u>	<u>706,283</u>
<u>Expenditures</u>					
Legislative	5,753	-	-	-	5,753
General Government	95,012	-	-	-	95,012
Public Safety	23,673	274,653	-	-	298,326
Public Works	304	-	-	-	304
Parks and Recreation	-	-	18,492	2,640	21,132
Other	20,520	-	-	-	20,520
Capital Outlay	<u>908</u>	<u>125,737</u>	<u>-</u>	<u>-</u>	<u>126,645</u>
Total	<u>146,170</u>	<u>400,390</u>	<u>18,492</u>	<u>2,640</u>	<u>567,692</u>
<u>Excess Revenues (Expenditures)</u>	<u>50,189</u>	<u>73,533</u>	<u>10,009</u>	<u>4,860</u>	<u>138,591</u>
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	-	-	-	750	750
Operating Transfers Out	<u>(750)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(750)</u>
Total	<u>(750)</u>	<u>-</u>	<u>-</u>	<u>750</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>49,439</u>	<u>73,533</u>	<u>10,009</u>	<u>5,610</u>	<u>138,591</u>
Fund Balance -- Beginning of Year	<u>341,360</u>	<u>487,440</u>	<u>42,641</u>	<u>36,974</u>	
Fund Balance -- End of Year	<u>\$ 390,799</u>	<u>\$ 560,973</u>	<u>\$ 52,650</u>	<u>\$ 42,584</u>	

Government funds defer property tax revenues received more than 60 days after the year-end as unavailable financial resources for the fund financial statements. In the statement of activities these are not deferred. This is the change in deferred taxes from the prior year.

(101)

Governmental funds report the receipt of principal payments on special assessments as revenues. These are Reported as a reduction of receivables on the statement of net assets.

(9,620)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets over their estimated useful lives is reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.

47,403

Change in net assets of governmental activities.

\$ 176,273

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Empire Township Statement of Fiduciary Net Assets March 31, 2007

Assets	Agency Funds
Cash	\$ 46,373
Total Assets	46,373
Liabilities	
Undistributed Taxes and Interest	46,373
Total Liabilities	46,373
Net Assets	\$ -

See Accompanying Notes to Basic Financial Statements



# Tobin & Co.

Empire Township  
Notes to Financial Statements  
March 31, 2007

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

Empire Township is a general law township located in Leelanau County. Population as of the 2000 census was 1,085, and the current taxable value for assessed property is \$137,011,967.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

### B. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

#### Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

# **Tobin & Co.**

## **Empire Township Notes to Financial Statements March 31, 2007**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **C. Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenue susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

#### **D. Budgets**

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the required supplementary schedules for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements and the required supplementary schedules, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

#### **E. Capital Assets**

Capital assets, which includes property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

# Tobin & Co.

## Empire Township Notes to Financial Statements March 31, 2007

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### E. Capital Assets (Continued)

Assets capitalized have an original cost of \$1,500 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land Improvements	10 – 20 years
Buildings and Improvements	25 – 40 years
Fire Department Vehicles	20 years
Fire Department Equipment	25 – 30 years
Township Vehicles	4 – 7 years
Machinery and Equipment	5 – 10 years
Office Furniture	5 – 20 years
Computer Equipment	1 – 3 years

#### F. Property Tax Procedures and Collections

Properties are assessed as of December 31 and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of the property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	SEV	Taxable Value	Millage Rate
General Operating	\$244,178,209	\$137,011,967	.4758
Fire	\$244,178,209	\$137,011,967	3.0000
Library	\$244,178,209	\$137,011,967	.1958

#### G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# **Tobin & Co.**

## **Empire Township Notes to Financial Statements March 31, 2007**

### **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

- A. We noted no violations of legal provisions and/or contractual provisions of various agreements related to financial matters.
- B. All funds had positive fund balances at March 31, 2007.
- C. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2007, the Airport Authority Fund overexpended its budget by \$818 without formal budget amendment.

### **NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

#### **A. Legal Provisions for Deposits and Investments**

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) Repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

#### **B. Types of Deposits and Investments**

The Township had \$1,044,207 with a carrying value of \$1,041,786 deposited with local banks at March 31, 2007. Interpreting the FDIC insurance coverage of \$100,000 of demand deposits and \$100,000 of time deposits per financial institution, the Township had \$701,643 of uninsured deposits at March 31, 2007.

# Tobin & Co.

## Empire Township Notes to Financial Statements March 31, 2007

### NOTE 4 - CAPITAL/INTANGIBLE ASSETS

	<u>3/31/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>3/31/07</u>
Governmental Activities:				
Land and Improvements	\$ 34,000	\$ -	\$ -	\$ 34,000
Buildings and Improvements	162,681	-	-	162,681
Furniture and Equipment	174,739	16,975	-	191,714
Vehicles	<u>369,445</u>	<u>99,955</u>	<u>23,000</u>	<u>446,400</u>
Total	740,865	116,930	23,000	834,795
Less Accumulated Depreciation	<u>(336,486)</u>	<u>(69,628)</u>	<u>(23,000)</u>	<u>(383,114)</u>
Governmental Activities Capital Assets, Net	<u>\$ 404,379</u>	<u>\$ 47,302</u>	<u>\$ -</u>	<u>\$ 451,681</u>

### NOTE 5 - INVENTORIES

Empire Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses when purchased.

### NOTE 6 - RETIREMENT PLAN

The Township has a defined contribution pension plan for Michigan Township employees under contract with John Hancock Life Insurance Company. Listed below is a summary of the significant plan provisions adopted by Board resolution.

#### A. Eligibility Requirements

1. No minimum age requirement.
2. Three months minimum service requirement
3. All elected officials plus the Township assessor, Fire Chief, and the Town Hall custodian.

#### B. Contributions

1. Contributions range from \$100 for compensation of less than \$800 to \$500 for compensation of \$4,000 plus \$100 for each additional \$800.
2. Compensation is determined by the basic annual rate of compensation in effect at the beginning of the plan year.
3. Township pays 75% of required annual contribution and the employee 25%.
4. Employees may make voluntary after tax contributions of 1% to 10% of compensation.

#### C. Vesting

1. Contributions are 100% vested to the employee after 18 months participation.

#### D. Plan Administration

1. The plan is administered by the Burnham and Flowers. During the year ended March 31, 2007, the total Township contribution for the plan year was \$7,725. Covered payroll for the year was \$76,050 with total payroll for all employees of \$141,796. The plan was funded at the required contribution amount. Employees made elective deferrals under the plan of \$799.

# **Tobin & Co.**

## **Empire Township Notes to Financial Statements March 31, 2007**

### **NOTE 7 - TAXES RECEIVABLE**

Taxes receivable -- delinquent of \$31,644 represent 2006 taxes for the General and Fire funds which were returned to the County Treasurer for collection as of March 2007, plus uncollected personal property taxes.

### **NOTE 8 - PROPERTY TAX ADMINISTRATION FEES**

As permitted by statute, the Township levied a 1% administration fee on all 2006 property taxes. This fee may be used only to offset such property tax administration expenses as assessing, collecting, and the review and appeal process. Fee collections totaled \$44,165 while costs were \$38,130 for the audit year.

### **NOTE 9- COMPENSATED ABSENCES**

There were no accrued compensated absences at March 31, 2007.

### **NOTE 10 - CONTINGENT LIABILITIES**

Township officials are aware of no contingent liabilities as of March 31, 2007.

### **NOTE 11- RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

SUPPLEMENTAL DATA SECTION

# Tobin & Co.

## Empire Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended March 31, 2007

Schedule I  
Page 1

<u>Revenues</u>	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
Current Taxes	\$ 65,600	\$ 65,600	\$ 61,031	\$ (4,569)
Delinquent Taxes	4,300	4,300	3,801	(499)
Penalties and Interest on Taxes	2,500	2,500	1,130	(1,370)
Property Tax Administration Fees	33,500	33,500	39,360	5,860
Swamp Tax and Commercial Forest	1,800	1,800	1,799	(1)
Mobile Home Park	1,000	1,000	324	(676)
Licenses and Permits:				
Land Use Permits and Other	1,500	1,500	1,060	(440)
State Grants:				
State Shared Revenues	35,000	35,000	48,241	13,241
Metro Act	4,000	4,000	4,454	454
Charges for Services:				
Summer Tax Collection	-	-	4,805	4,805
Zoning	1,000	1,000	1,750	750
Fees – Other	-	-	341	341
Interest and Rents:				
Interest	3,500	3,500	14,760	11,260
Rents	2,000	2,000	2,255	255
Other:				
Special Assessments	10,582	10,582	9,620	(962)
Refunds and Reimbursements	-	-	1,628	1,628
<b>Total Revenues</b>	<u>166,282</u>	<u>166,282</u>	<u>196,359</u>	<u>30,077</u>
<u>Expenditures</u>				
Legislative:				
Township Board:				
Salaries and Wages	-	-	1,800	-
Supplies	-	-	342	-
Professional Services	-	-	483	-
Dues	-	-	2,027	-
Printing and Publishing	-	-	544	-
Education and Training	-	-	557	-
<b>Total</b>	<u>7,900</u>	<u>8,184</u>	<u>5,753</u>	<u>2,431</u>
<b>Total Legislative</b>	<u>7,900</u>	<u>8,184</u>	<u>5,753</u>	<u>2,431</u>
General Government:				
Township Supervisor:				
Salaries and Wages	-	-	6,800	-
Education and Trainings	-	-	608	-
<b>Total</b>	<u>7,150</u>	<u>7,458</u>	<u>7,408</u>	<u>50</u>

The Notes to the Basic Financial Statements are an integral part of this statement.



# Tobin & Co.

## Empire Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended March 31, 2007

Schedule 1  
Page 2

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Expenditures (Continued)</u></b>				
General Government (Continued):				
Elections:				
Salaries and Wages	-	-	4,788	-
Supplies	-	-	1,238	-
Mileage and Travel	-	-	146	-
Printing and Publishing	-	-	268	-
Repairs and Maintenance	-	-	605	-
Total	<u>5,150</u>	<u>7,144</u>	<u>7,045</u>	<u>99</u>
Assessor:				
Salaries and Wages	-	-	17,995	-
Supplies	-	-	4,246	-
Mileage and Travel	-	-	595	-
Total	<u>23,920</u>	<u>24,566</u>	<u>22,836</u>	<u>1,730</u>
Clerk:				
Salaries and Wages	-	-	17,440	-
Supplies	-	-	269	-
Education and Training	-	-	557	-
Total	<u>18,440</u>	<u>18,697</u>	<u>18,266</u>	<u>431</u>
Board of Review:				
Salaries and Wages	-	-	1,240	-
Printing and Publishing	-	-	123	-
Education and Training	-	-	120	-
Total	<u>1,230</u>	<u>1,560</u>	<u>1,483</u>	<u>77</u>
Treasurer:				
Salaries and Wages	-	-	17,140	-
Supplies	-	-	4,433	-
Education and Training	-	-	557	-
Other	-	-	55	-
Total	<u>23,140</u>	<u>23,638</u>	<u>22,185</u>	<u>1,453</u>
Township Hall and Grounds:				
Salaries and Wages	-	-	4,950	-
Supplies	-	-	369	-
Telephone	-	-	419	-
Public Utilities	-	-	2,655	-
Maintenance and Repairs	-	-	4,397	-
Total	<u>12,350</u>	<u>13,766</u>	<u>12,790</u>	<u>976</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

## Empire Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended March 31, 2007

Schedule 1  
Page 3

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
General Government (Continued):				
Township Office:				
Supplies	-	-	281	-
Telephone	-	-	1,436	-
Public Utilities	-	-	858	-
Maintenance and Repairs	-	-	424	-
Total	<u>2,900</u>	<u>3,060</u>	<u>2,999</u>	<u>61</u>
Total General Government	<u>94,280</u>	<u>99,889</u>	<u>95,012</u>	<u>4,877</u>
Public Safety:				
Planning and Zoning:				
Salaries and Wages	-	-	13,182	-
Supplies	-	-	65	-
Professional Services	-	-	8,545	-
Mileage and Travel	-	-	437	-
Printing and Publishing	-	-	964	-
Education and Training	-	-	480	-
Total	<u>20,575</u>	<u>24,489</u>	<u>23,673</u>	<u>816</u>
Total Public Safety	<u>20,575</u>	<u>24,489</u>	<u>23,673</u>	<u>816</u>
Public Works:				
Street Lighting	<u>300</u>	<u>304</u>	<u>304</u>	-
Total Public Works	<u>300</u>	<u>304</u>	<u>304</u>	-
Other:				
Contributions to Other Units – Library	400	400	-	400
Glen Lake Association	1,000	1,000	1,000	-
Gypsy Moth Suppression	3,500	3,500	-	3,500
Employee Benefits and Insurance	22,700	22,700	19,520	3,180
Contingencies	<u>10,000</u>	<u>189</u>	-	<u>189</u>
Total Other	<u>37,600</u>	<u>27,789</u>	<u>20,520</u>	<u>7,269</u>
Capital Outlay	<u>5,379</u>	<u>5,379</u>	<u>908</u>	<u>4,471</u>
Total Expenditures	<u>166,034</u>	<u>166,034</u>	<u>146,170</u>	<u>19,864</u>
Excess Revenues (Expenditures)	<u>248</u>	<u>248</u>	<u>50,189</u>	<u>49,941</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Empire Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2007

Schedule 1  
Page 4

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>(750)</u>	<u>(750)</u>	<u>(750)</u>	<u>-</u>
Total	<u>(750)</u>	<u>(750)</u>	<u>(750)</u>	<u>-</u>
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	<u>\$ (502)</u>	<u>\$ (502)</u>	49,439	<u>\$ 49,941</u>
Fund Balance – Beginning of Year			<u>341,360</u>	
Fund Balance – End of Year			<u>\$ 390,799</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Empire Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Fire Fund  
For the Year Ended March 31, 2007

Schedule 2

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Property Taxes	\$ 501,000	\$ 501,000	\$ 406,727	\$ (94,273)
Charges for Services:				
Ambulance Services	23,000	23,000	21,881	(1,119)
Kasson Township Contract	30,000	30,000	30,000	-
Interest and Rents:				
Interest	2,000	2,000	9,639	7,639
Other:				
Sale of Capital Assets	-	-	5,176	5,176
Miscellaneous	-	-	500	500
Total	<u>556,000</u>	<u>556,000</u>	<u>473,923</u>	<u>(82,077)</u>
<u>Expenditures</u>				
Salaries and Wages	-	-	44,960	-
Payroll Taxes	-	-	3,439	-
Fringe Benefits	-	-	1,706	-
Supplies	-	-	4,283	-
Contractual Services	-	-	182,942	-
Dues, Memberships and Licenses	-	-	1,302	-
Medical	-	-	4,565	-
Communications	-	-	1,819	-
Printing and Publishing	-	-	64	-
Insurance	-	-	16,248	-
Public Utilities	-	-	2,671	-
Maintenance and Repairs	-	-	5,147	-
Other	-	-	392	-
Education and Training	-	-	5,115	-
Capital Outlay	-	-	125,737	-
Total	<u>493,960</u>	<u>493,960</u>	<u>400,390</u>	<u>93,570</u>
Excess Revenues (Expenditures)	<u>\$ 62,040</u>	<u>\$ 62,040</u>	73,533	<u>\$ 11,493</u>
Fund Balance – Beginning of Year			<u>487,440</u>	
Fund Balance – End of Year			<u>\$ 560,973</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Empire Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Campground Fund  
For the Year Ended March 31, 2007

Schedule 3

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for Services:				
Camping Fees	\$ 25,000	\$ 25,000	\$ 25,862	\$ 862
Showers	1,000	1,000	1,184	184
Ice	<u>1,000</u>	<u>1,000</u>	<u>1,455</u>	<u>455</u>
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>28,501</u>	<u>1,501</u>
<u>Expenditures</u>				
Salaries and Wages	-	-	11,433	-
Payroll Taxes	-	-	880	-
Supplies	-	-	1,325	-
Ice	-	-	783	-
Licenses and Fees	-	-	240	-
Communications	-	-	643	-
Insurance	-	-	690	-
Public Utilities	-	-	1,972	-
Maintenance and Repairs	<u>-</u>	<u>-</u>	<u>526</u>	<u>-</u>
Total Expenditures	<u>26,650</u>	<u>26,650</u>	<u>18,492</u>	<u>8,158</u>
Excess Revenues (Expenditures)	<u>\$ 350</u>	<u>\$ 350</u>	10,009	<u>\$ 9,659</u>
Fund Balance – Beginning of Year			<u>42,641</u>	
Fund Balance – End of Year			<u>\$ 52,650</u>	

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

Empire Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Airport Authority Fund  
For the Year Ended March 31, 2007

Schedule 4

	<u>Budgetary Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>				
Contributions from Other Units:				
Glen Arbor Township	\$ 750	\$ 750	\$ 750	\$ -
Village of Empire	750	750	750	-
Charges for Services:				
Fees	350	350	100	(250)
Interest and Rents:				
Interest	100	100	-	(100)
Rents	<u>6,300</u>	<u>6,300</u>	<u>6,000</u>	<u>(300)</u>
Total Revenues	<u>8,250</u>	<u>8,250</u>	<u>7,600</u>	<u>(650)</u>
<u>Expenditures</u>				
Insurance	-	-	1,684	-
Office Supplies	-	-	67	-
Licenses and Permits	-	-	55	-
Telephone	-	-	466	-
Maintenance and Repairs	<u>-</u>	<u>-</u>	<u>368</u>	<u>-</u>
Total Expenditures	<u>9,000</u>	<u>9,000</u>	<u>2,640</u>	<u>6,360</u>
Excess Revenues (Expenditures)	<u>(750)</u>	<u>(750)</u>	<u>4,960</u>	<u>5,710</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	750	750	750	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>750</u>	<u>750</u>	<u>750</u>	<u>-</u>
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>5,710</u>	<u>\$ 5,710</u>
Fund Balance – Beginning of Year			<u>36,974</u>	
Fund Balance – End of Year			<u>\$ 42,684</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Empire Township  
Statement of Changes in Assets and Liabilities  
Current Tax Collection Fund  
For the Year Ended March 31, 2007

Schedule 5

	<u>Balance</u> <u>3/31/06</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3/31/07</u>
<u>Assets</u>				
Cash	\$ 18,498	\$ 3,856,951	\$ 3,829,076	\$ 46,373
Total Assets	<u>\$ 18,498</u>	<u>\$ 3,856,951</u>	<u>\$ 3,829,076</u>	<u>\$ 46,373</u>
<u>Liabilities</u>				
Undistributed Taxes and Interest	\$ 18,498	\$ 3,856,951	\$ 3,829,076	\$ 46,373
Total Liabilities	<u>\$ 18,498</u>	<u>\$ 3,856,951</u>	<u>\$ 3,829,076</u>	<u>\$ 46,373</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

## Empire Township 2006 Property Tax Levy and Collections For the Year Ended March 31, 2007

Schedule 6

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County Allocated	3.6567	\$ 501,118	\$ 479,258	\$ 21,860
County Voted	1.0000	137,030	128,281	8,749
County Road	0.5000	68,511	64,136	4,375
County Senior	0.2463	33,743	31,588	2,155
County Transportation	0.3317	45,446	42,545	2,901
State Education	6.0000	822,225	794,673	27,552
School District	17.2196	1,458,657	1,349,892	108,765
Intermediate School District	2.9421	403,172	377,429	25,743
Township - General	0.4758	65,194	61,031	4,163
- Fire	3.0000	411,107	384,858	26,249
- Library	0.1958	26,822	25,110	1,712
Recycle		23,425	21,920	1,505
Special Assessment		<u>10,582</u>	<u>9,620</u>	<u>962</u>
Total		<u>\$ 4,007,032</u>	<u>\$ 3,770,341</u>	<u>\$ 236,691</u>
Percent of Levy Collected	94.09%			

The Notes to the Basic Financial Statements are an integral part of this statement.



# Tobin & Co.

Empire Township  
Statement of Revenues, Expenditures and Balance  
Property Tax Administration Fees  
For the Year Ended March 31, 2007

Schedule 7

## Revenues

Property Tax Administration Fees	\$ 39,360
Summer Tax Collection Fee	<u>4,805</u>
Total Revenues	<u>44,165</u>

## Expenditures

Assessor	22,836
Board of Review	1,483
Treasurer – 60%	13,311
Utilities, Use of Building, Insurance, Miscellaneous	<u>500</u>
Total	<u>38,130</u>
Excess Revenues (Expenditures)	<u>\$ 6,035</u>

The Notes to the Financial Statements are an integral part of this statement.